

# WEB 2.0

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## **Introduction**

The traditional web existed as mainly a means to pull information. Web 2.0 is a means to explain the recent internet applications that promote the sharing of information among users. This social component is the biggest difference between the traditional web and Web 2.0. Since all of the information is user-generated, each user's desire to discuss a particular subject is the main reason for use. The web has shifted to where the consumer is now a contributor, not just the puller of information. ("Social Media for All Ages", 2008)

While the term Web 2.0 is quite nebulous, there are some technologies that are widely used in conjunction with the expression Web 2.0. A few examples are: Blogs, Wikis, RSS feeds, video sharing sites, Peer-to-peer sharing sites, social networking sites, mashups, and folksonomies. A study by Booz Allen Hamilton found that 50% of all people that use the internet frequent these types of sites (Eikermann, 2008). Businesses now have new opportunities to engage their customers through these means. Organizations can utilize Web 2.0 as a means to more easily incorporate technology into their business due to its relative small costs and ease as to which they can be set up. We will begin this research paper by discussing the history of Web 2.0. We will then move on to discuss its potential for business uses and we will close with recommendations for business implementation.

## **Web 2.0 Background Information**

It is widely held true that the term Web 2.0 was devised in a 2004 article by Tim O'Reilly. It is in this article that he set about a definition for what constitutes this new advancement to the web. There are many definitions as to what makes an application part of

Web 2.0. A commonality is that they permit users to not only pull information, but also to post their own information. The purpose is that users must be able to do both of these on an equal basis (Bruns, 2008). These applications work the same way that desktop applications do, except they are housed off site. A prominent technical and language writer, Paul McFedries describes Web 2.0 as programs that “encourage collaboration and communication between users” (McFedries, 2006). The primary premise of Web 2.0 is it provides “event-driven user experiences” opposed to traditional websites that just provide information (Needleman, 2007). These applications have become increasingly popular over the past few years. This can be seen by the fact that in 2006 Time Magazine gave the “Person of the Year” award to “You” because of the collaborative efforts put in place by users to create content on the web through the various channels described earlier in the introduction (Wikipedia, 2010).

### **Business Uses**

Since in the inception of the internet, companies have shifted the way they conduct business in order to incorporate the new advancements in technology. In order to keep up with competition it has become a necessity to make an online presence. There are multiple benefits of integrating Web 2.0 into business practices. These new applications can provide strategic information for companies. Utilizing this new technology can help companies preserve market position by not only providing an edge over the competition but by also keeping up with the technological demands of their customers. In a recent survey conducted by McKinsey, it was found that over 75% of executives plan to increase their IT investments in areas that increase collaborative efforts. The bulk of these investments are placed in “peer-to-peer networking, social networks, and Web services” (Bughin, 2007).

Corporate intranets are one of the main Web 2.0 applications used by businesses today (Tredinnick, 2006). By opening up company intranets to allow employees to share information with each other, it promotes the sharing of ideas and issues. By monitoring these Blogs, companies can gain valuable information about how their employees think. Blogs do not have to be restricted to only corporate intranets. Many companies are starting to set up Blogs on their websites in order to improve customer service. Blogs can also be used to analyze the feedback provided by their customers to improve current products as well as a means to create new products and marketing strategies. These applications are set up primarily as a means to collect and share thoughts within an organization (Bughin, 2007). 7-Eleven Japan is a prime example of how to use these applications successfully. They have set up an intranet to connect all 10,000 of their stores. It is then used by the store owners to share sales data with each other which was proven to increase sales (O'Brien, 2009).

Web 2.0 has also opened new marketing outlets for companies to utilize in order to reach their customers. This is primarily done through the use of banner ads. Since the majority of Web 2.0 applications are provided at no cost to its users, banner ads are their primary means of income. (Orr, 2006) Over 50 million dollars is spent every year in online advertising. Companies have decided to reach their customers this way due to the ability they have to tailor specific ads to the interests of their customers. Advertising on websites such as Facebook allow businesses to reach its over 70 million members in hopes of turning them into customers (Swartz, 2008).

## Implementation Recommendations

In order to use web 2.0 effectively it is necessary to make sure that the user-generated content that is being provided actually adds some business value. This cannot happen without the involvement of your customers or employees. Not only must you rely on them to provide the content, but it is also necessary that they reach out to get more people involved while continuing to participate themselves. One such way to increase collaboration is to offer incentives to users for participating. These incentives do not necessarily have to be monetary. A growing trend with applications such as Facebook and 4 Square involves the ability to grow a “status” by using the application (Biever, 2006). In the example of 4 Square, users gain points by visiting a specific location. Whoever visits that place the most can become “mayor” of that place of business. These intrinsic rewards can also be seen in the use of Blogs. Users can feel rewarded when other users comment on their posts. Since these rewards are provided on an unpredictable basis, this can increase the flow of traffic to these sites in hopes of gaining a reward (Biever, 2006).

If companies can utilize these opportunities they can gain one of the most important aspects of any company, knowledge. By learning more about customers’ wants and needs, it ensures that a stronger product will be made, which will lead to increased product sales. Customers are not the only means for companies to gain knowledge. Employees can also provide valuable information for organizations. In recent years it has become apparent that people change jobs frequently. By incorporating a corporate Wiki, employers can acquire knowledge from their employees while they are working at an organization to be used at a later date by future employees. This will help companies reduce costs by not having to double up on efforts once an employee moves on to a new role (Orr, 2007).

Our times are shifting to where people desire information that relates to them specifically and they want it on their own schedule. One such method a company can use to target a specific audience is to have “opt-in” applications. If a person signs up to become involved with something, they are more likely to participate on a regular basis (Snow, 2007).

## **Conclusion**

As the World Wide Web continues to evolve, so must organizations in order to keep up with the demands of their customers. Companies must continue to keep up with the technological demand of their customers as the World Wide Web continues to evolve. With the start of Web 2.0 applications, it has become simpler for customers to share their views and ideas about companies and their products. It is necessary for organizations to listen to these recommendations and incorporate it into their practices. As shown in this research paper, Web 2.0 applications can provide unbounded opportunities for organizations to become engaged with their customers. This interactivity has made it so traditional marketing campaigns are not enough for companies to reach their customers. We are in a world of constant change and it takes constant monitoring and adjustment by organizations in order to stay up to date with the ever changing landscape of the web.

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